



**HOME BUILDERS & REMODELERS ASSOCIATION  
OF CONNECTICUT, INC.**

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*Your Home  
Is Our  
Business*

**Housing Committee  
Public Hearing  
Testimony  
March 10, 2022**

**To: Chairmen Rep. Williams, Sen. Lopes, Ranking Members Rep. Polletta,  
Sen. Cicarella, and distinguished Members of the Housing Committee**

**From: Jim Perras, CEO**

**Regarding: Testimony on Raised S.B. No. 292 AN ACT CONCERNING HEATING EFFICIENCY  
IN NEW RESIDENTIAL CONSTRUCTION AND MAJOR ALTERATIONS OF  
RESIDENTIAL BUILDINGS (OPPOSE)**

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with almost nine hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses consists of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

**The HBRA-CT respectfully urges the Housing Committee to reject Senate Bill 292: An Act Concerning Heating Efficiency in New Residential Construction and Major Alterations of Residential Buildings.** Now is not the time to burden consumers with mandates that will increase the cost of housing. The residential construction industry understands the impacts of climate change. As an industry, we are proud that new homes built in Connecticut to existing code have never been more efficient or resilient. Housing efficiency standards steadily improve with the adoption of each new code, giving the industry and regulators the necessary time to adjust construction practices and regulatory oversight. Connecticut is slated to adopt its newest set of codes in October of this year which are widely acknowledged, by industry experts and environmentalists alike, to be a substantial leap forward.

The residential construction industry in the state of Connecticut has been building at recession levels since 2008, contributing to the scarcity of housing, and in turn, the skyrocketing cost to purchase and rent in Connecticut. In fact, housing production numbers in 2021, according to DECD, have not been lower since 2011, the height of the Great Recession. More troubling, over recent years the percentage of homeownership rates in

Connecticut, seen as a measure of economic well-being, has been on the decline while the U.S. saw an overall uptick.<sup>1</sup>

Policymakers must not think of climate change resiliency and energy efficiency in a vacuum. The socioeconomic impacts of moving to net zero carbon emission housing must be considered and weighed. Federal, state, and local regulations currently account for 23.8% of the final price of a newly built home. To put that in terms of dollars and cents, \$93,870 of a \$394,000 home (the current national average price) is directly attributed to regulatory costs. Increasing these regulatory costs by mandating net zero emission homes will increase the challenges to build, particularly entry-level housing which is most in need.<sup>2</sup> According to National Association of Home Builders' 2021 Priced-Out Estimates, for every \$1,000 increase in the median new home price would disqualify 153,967 American households from obtaining a new home mortgage.<sup>3</sup> If this law passed, thousands of Connecticut residents will be forced to remain in aging and less efficient housing.

HBRA would respectfully suggest incentive-based approaches over heavy-handed mandates. Incentives will stimulate increased housing production to alleviate the housing scarcity issues that are contributing to the housing crisis while simultaneously encouraging consumers to demand greener construction. Ultimately, incentives will drive the residential construction sector to build greener while creating countless jobs

It is imperative that the legislature quantify the cost implications of each element of any code change suggested to move to net zero emissions and quantify the aggregate impact on housing affordability and production. This should be followed by the development and implementation of cost mitigating programs that will, at a minimum, offset the aggregate increased costs of construction. Furthermore, the residential construction industry should not be made to shoulder this burden alone. Utility services, financial institutions, insurers and real estate appraisers should all do their part to mitigate the challenges and maximize the benefits for consumers that choose to purchase a net zero home.

**We believe that it would be in the best interests of consumers and residents if the state conducted a study, much like that being undertaken by MIT in collaboration with the Wentworth Institute of Technology, that will illustrate the real impacts to housing costs and production if net zero building codes are mandated. The hope is that the MIT study will help policymakers develop holistic measures to minimize housing affordability impacts, increase production, and encourage consumers to buy green.**

**Thank you, for the opportunity to provide testimony on SB 292.**

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<sup>1</sup> <https://www.census.gov/content/dam/Census/library/publications/2021/acs/acsbr-010.pdf>

<sup>2</sup> <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2021/special-study-government-regulation-in-the-price-of-a-new-home-may-2021.pdf>

<sup>3</sup> <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2021/special-study-nahb-priced-out-estimates-for-2021-february-2021.pdf>